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ABSTRACT

One of 33 self-paced instructional modules for training industry services leaders, this module contains three learning activities on preparing a budget for an industry services project. (Industry services are manpower services provided by public agencies to new and expanding private industry.) The first learning activity is designed to provide the learner with the needed background information on finding ways to provide effective industry services at reasonable costs, major categories of an industry services program budget, persons who should be involved in budget preparation, and techniques that may aid in getting budgets approved. The second provides for application of the information in a practice situation, and the final check-out activity allows the learner to prepare a budget for an industry services project in a real work situation, such as when employed or when serving as an intern learner. Feedback devices (learner self-test and performance checklist) are included for use by the learner and instructor/supervisor to assess progress. Case study information, a sample worksheet, and a sample budget form are appended for guidance in performing the objectives. (Two of the other modules also focus on the identification of training needs, one on collecting framework production and training information and one on selecting types of training programs.) (JT)

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MODULE NUMBER IV-C

PREPARING A BUDGET FOR AN INDUSTRY SERVICES PROJECT

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SELF-PACED INSTRUCTIONAL MODULE

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TABLE OF CONTENTS

	Page
Instructional Procedure	1
Supplementary Teaching/Learning Aids	2
Objectives	2
Introduction	3
Learning Activity I: Information	4
Learning Activity II: Practice Performance	13
Check-Out Activity: Performance in Real Work Situation	14
Appendices	
A. Performance Checklist	15
B. Case Study Information	17
C. Sample Worksheet	19
D. Sample Budget Form	21

INSTRUCTIONAL PROCEDURE

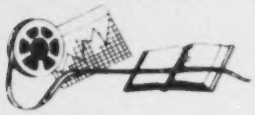
This module contains two sequential learning activities and a final check-out activity. A brief overview precedes each learning activity and the final check-out activity. Each learning activity and the final check-out activity provide learning experiences to help you accomplish the objectives. Feedback devices (learner self-test, worksheet, and performance checklist) are provided to help you determine when each objective has been accomplished. Case study information is also provided to guide you in completing the learning activities.

The first learning activity is designed to provide you with the needed **background information**. The second learning activity is designed to give you an opportunity to apply that information in a **practice** situation. The **Check-Out Activity** is the final learning activity. It is designed to allow you to prepare a budget for an industry services project in a real work situation, such as when you are employed or when you are serving as an intern learner. The **Performance Checklist** (Appendix A) is used by the learner and the instructor/supervisor to assess progress. The checklist is applicable for both practice performance and performance in the real work situation.

After reading the **Objectives** and the **Introduction** on pages 2 and 3, you should be able to determine how much of this module you will need to complete before the **Check-Out Activity**.

* If you already have the necessary **background information** required for preparing a budget, you may not need to complete **Learning Activity I**, p. 4 .
* If you already have had **practice** in preparing a budget, you may not need to complete **Learning Activity II**, p. 13.
* Instead, with the approval of your instructor or supervisor, you may choose to proceed directly to the **Check-Out Activity**, p. 14, and prepare a budget when you have access to a real work situation.

Your instructor or supervisor may be contacted if you have any difficulty with directions, or in assessing your progress at any time.



SUPPLEMENTARY TEACHING/LEARNING AIDS

An effort has been made to make this module as self-contained as possible. The information contained in the module should be sufficient to develop "entry-level" knowledge and skills. However, much more has been written on this topic. The advanced learner may wish to attain higher levels of knowledge and skills.

A list of resources which supplement those contained within the module follows. Check with your instructor or supervisor (1) to determine the availability and the location of these resources, and (2) to get assistance in setting up additional learning activities.

There are no prerequisites for completing this module. However, the module may be used in conjunction with module number III-A, **Developing Training Agreements.**

Learning Activity I

* Bauer, Rudy J. "Preparation, Justification to Assure an Adequate Budget." **American School Board Journal.** (April 1966), pp. 28-30.
* Holloway, Lewis D. "Departmental Budget Prosposals." **Industrial Arts and Vocational Education Journal.** (March 1963), pp. 71-72.
* Tonigan, Richard F. "How to Prepare a Budget for Tight Times and Get It Approved." **School Management.** (February 1971), pp. 30-31.

Learning Activity II

* Local administrators of vocational-technical education

Check-Out Activity

* Local administrators of vocational-technical education
* State coordinator for industry services

OBJECTIVES

I. After completing the required reading, take the learner self-test to demonstrate that you have attained the knowledge of preparing a budget. You should complete all items correctly. **(Learning Activity I)**

II. After analyzing the performance instructions, complete all the designated experiences in preparing a budget in a practice situation. Your work must conform to the work-sheets and checklist provided. **(Learning Activity II)**

III. In an actual work situation, prepare a budget for an industry services project. Satisfactory performance will be realized when all items on the performance checklist (Appendix A) are rated "yes." **(Check-Out Activity)**

PREPARING A BUDGET FOR AN INDUSTRY SERVICES PROJECT

INTRODUCTION

Industry services leaders will be confronted with the difficult task of finding ways to provide effective industry services at reasonable costs. Good judgement will be needed in projecting supply, personnel, travel, and other program needs for an industry services project. A budget document which is well-organized with factual, realistic information and data is a valuable planning tool. In fact, the success of the industry services project may depend upon how well a budget has been prepared.

The purpose of this unit is to develop knowledge and skills that will aid the leader in preparing a budget for an industry services project.

LEARNING ACTIVITY I: INFORMATION

You should study the information presented in the following pages. You may wish to read more on the subject from the references listed in the section on **Supplementary Teaching/Learning Aids.** After reading these materials, you will demonstrate knowledge of preparing a budget by completing the **Learner Self-Test,** p. 9 . You will be evaluating your knowledge by comparing your self-test answers with the **Answers to Self-Test,** p. 11.

It is difficult to anticipate months in advance what services will be required for specific new and expanding industries. The number of services required and the scope of these services are related directly to the economic conditions of the locale and/or the prosperity of the industry. Perhaps only after several years experience can the local vocational budgets be truly balanced with the needs for specialized training services.

However, the industry services leader will be required to negotiate with local and state administrators and supervisors for finances when the need arises. In order to remain a top priority in the eyes of the administrator, the industry services program should be included as a permanent item in the vocational-technical education budget each year, with allowances for negotiating for added funds when necessary.

There should be a clear identification of the sources of funding for an industry services project. If a split budget is necessary, the cost for each party must be indicated. Budgeting should include a discretionary fund for hidden costs. Some training institutions have recognized the difficulty of knowing what training will be needed many months in advance and are building discretionary funds into the yearly budget.

State and local guidelines for obtaining and using training program resources must be taken into consideration when preparing a budget. Procedures for obtaining continuing funding and for reporting these funds may be obtained from the local training institution and the state division of vocational-technical education.

It is important that the operational costs of a training program be accurately presented in the budget. However, the industry services leader must concentrate on the major items. It will not be possible to identify all minor items, nor is it necessary to do so. Although the information which follows is presented in considerable detail, the industry

services leader must be able to distinguish which items are major cost factors and which items would normally be covered by regular operating costs or discretionary funds. This module is directed primarily toward developing a budget for a training project to be conducted for a specific client company, rather than an overall budget for the industry services program.

I. MAJOR CATEGORIES OF AN INDUSTRY SERVICES PROGRAM BUDGET

A. Facility cost

1. Rental charges on private buildings
2. Rental charges on public buildings
3. Minor repairs,such as replacing door locks and replacing parts on a heating unit
4. Utilities
   a. Gas
   b. Water
   c. Electricity
   d. Telephone

B. Administrative cost

1. Industry services leader's salary
2. Staff travel
   a. Visiting state research and curriculum center
   b. Visiting training sites
   c. Visiting state and local agencies
   d. Visiting local and parent plants
3. Testing and counseling of program applicants

C. Staff cost

1. Instructor's salary—based on hourly rate
2. Secretary's salary—part-time basis
3. Employer's share of fringe benefits
   a. Social security
   b. Insurance

D. **Instructional cost**

1. Major equipment—those costing more than $200.00
    a. Welders
    b. Lathes
    c. Mills
    d. Shapers
    e. Presses
    f. Portable heavy-duty power tools
    g. Other
2. Minor equipment/tools—those costing less than $200.00
    a. Wrench sets
    b. Drills
    c. Welding torches
    d. Special clothing
    e. Gauges
    f. Other
3. Instructional materials/supplies
    a. Books
    b. Audiovisual aids
    c. Paper
    d. Wire
    e. Screws
    f. Sheet metal
    g. Plastics
    h. Other

E. **Other costs**

1. Training simulation equipment
2. Printing
    a. Advertising program
    b. Printing training manuals
3. Office supplies

4. First-aid supplies
5. Fire extinguishers

II. PERSONS WHO SHOULD BE INVOLVED IN BUDGET PREPARATION

A. **The industry services leader**—coordinates budget preparation

B. **The local superintendent, president, or director**—reviews and makes changes in budget

C. **The client company representative**—gives advice and makes recommendations concerning needed training resources

D. **The instructor**—assists in developmental process or compiles list of needs

E. **The state coordinator of industry services programs**—reviews, approves, or suggests changes

F. **The state director of vocational-technical education**—makes final approvals

III. TECHNIQUES THAT MAY AID IN GETTING BUDGETS APPROVED

A. **Present evidence that the program is progressive.**

1. Show evidence of the economic value the training program may have in industrial development.
2. Show proof that industry services are needed through letters, testimonies, and/or telephone calls.
3. Indicate that personnel have been carefully selected.
4. Show that in-service programs will be utilized to improve efficiency and productiveness.

B. **Follow-up on budget request.**

1. Visit superior's office. (Use discretion and tact.)
2. Supply additional materials, if necessary.
3. Clarify misconceptions.

C. **Use effective communication.**

1. State request clearly.
2. Use charts and graphs for clarification.
3. Use simple presentations.

4. Substantiate line items with supportive materials.

D. Relate current budget to previous budgets when possible.

1. Compare prices.
2. Explain differences or increases.

E. Break down budget according to basic categories.

1. Separate equipment from supplies.
2. Give detailed prices rather than lump-sum prices.

F. Present a statement on the aims of the program.

*Continue this learning activity by completing the **Learner Self-Test** which follows.

LEARNER SELF-TEST

This is a checkpoint knowledge test needed before proceeding to develop a budget for an industry services project. Follow the instructions provided for each item. Check your answers with the **Answers to Self-Test** which follow. If you fail to complete all items correctly, you may wish to refer back to appropriate parts of the module information.

1. Identify from the following list four major categories of an industry services budget by circling the letters representing the correct items.

   a. Utility cost
   b. Administrative cost
   c. Instructional cost
   d. Production cost
   e. Consumable supplies
   f. Staff cost
   g. Facility cost

2. Match the following persons with their correct functions in budget preparation and approval by placing the letter representing the function by the correct number.

_____	a. The industry services leader	1.	Consults and advises
_____	b. State coordinator for industry services	2.	Approves
_____	c. The client company representative	3.	Reviews and suggests changes
		4.	Types and compiles
		5.	Coordinates preparation

3. List five techniques that may aid in getting budgets approved.

   1.
   2.
   3.
   4.
   5.

ANSWERS TO SELF-TEST

1. b.
   c.
   f.
   g.
2. a. 5
   b. 3
   c. 1
3. Answers may include any five of the following:
   a. Have evidence to prove program is progressive.
   b. Follow-up on the budget.
   c. Use effective communication.
   d. Relate current budget to previous budget when possible.
   e. Break budget down according to basic categories.
   f. Present statement on aims of the program.

*Proceed to the next learning activity for practice in preparing a budget for an industry services project.

LEARNING ACTIVITY II: PRACTICE PERFORMANCE

You will be required to practice preparing a budget for an industry services project. Several subactivities must be completed before the task is completed. You may wish to read one or more articles on school budgeting from outside resources. You must read the **Case Study Information** presented in this module. You must determine a format for recording the budgetary information. Then, you must practice preparing a budget based on the **Case Study Information.** You will be evaluating your performance in preparing a budget using the **Performance Checklist,** Appendix A.

I. Read the **Case Study Information** shown in Appendix B. This information will serve as a basis for preparing a simulated budget.

II. Review the sample budgetary forms found in Appendices C and D. These forms probably do not contain space for all items you may wish to consider in your budget. The forms must be adapted to meet your needs.

III. Record the budgetary information in the format desired using the case study information as a simulated industry. You may follow the case study outline for organizing and recording the budgetary information. Cost identification should focus on major items. Indicate the cost by each major item and the grand total cost.

IV. Use the **Performance Checklist** from Appendix A to check your competency in preparing a budget. Satisfactory performance is realized when all items on the checklist are rated "yes."

*Completion of this learning activity should have equipped you to prepare a budget in a real work situation. Proceed to the **Check-Out Activity.**

CHECK-OUT ACTIVITY: PERFORMANCE IN REAL WORK SITUATION

The activity which follows is intended to be conducted in an actual on-the-job situation. It may be performed without completing the two learning activities if you already have the knowledge and skills to do so.

In an actual work situation, prepare a budget for an industry services project in your community. You may consult with your local administrator concerning previously prepared procedures and forms required for reporting budgetary information. You may also discuss the budget with other persons in your school who have prepared and submitted budgets. Your state coordinator of industry services may also assist in preparing the budget. Record the appropriate budgetary information and present the budget to your administrator for review. Make revisions in the budget as necessary. Obtain approval of the budget from all appropriate local and state administrators.

*After completing the **Check-Out Activity**, you may select another module for study. Your instructor or supervisor may be contacted if you have any difficulty in selecting a module.

APPENDIX A

PERFORMANCE CHECKLIST

Preparing a budget for an industry services project.

INSTRUCTIONS: If the performance is satisfactory, write YES in the space provided. If the performance is unsatisfactory, write NO in the space. Each item must be rated "yes" for satisfactory task performance.

1. All data such as major items, quantities, descriptions, and total cost were accurately and orderly recorded. ☐

2. The budget was supplemented with sufficient supportive materials, e.g. methods of calculating costs. ☐

3. Trivial item costs were avoided. ☐

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APPENDIX B

CASE STUDY INFORMATION ON PREPARING A BUDGET FOR AN INDUSTRY SERVICES PROJECT

A decorative plastics manufacturing plant is expanding in your city. The company wishes to employ 65 local people. A few of the key operators and supervisors will be recruited from other industries in the state. All people will need training in the various plastics manufacturing processes. The major decisions about training have been made. The industry services leader must prepare a budget for the project. The information below will assist in preparing the budget. The budget must indicate the itemized cost of the training program and the grand total cost.

1. Orientation and basic skills training will require 36 hours of instruction. Two instructors will be required for each session to accommodate a large group of trainees.
2. Training for key operators will require 160 hours of instruction in the local plant and outside plants. The client company will pay for the travel and expenses of the trainees when training is conducted in outside plants.
3. Four key job specialists from other plants will instruct the local people on the job. The areas of instruction will be in raw materials preparation, molding operations, cutting, and shaping. Each job specialist will provide 160 hours of instruction.
4. Four lead workers from the first shift will provide on-the-job instruction for second and third shift workers. Each lead worker will provide 160 hours of instruction.
5. The training institution will provide a simulator for training molding operators in a laboratory situation.
6. The training institution will provide videotape equipment and supplies to develop orientation training materials.
7. The training institution will develop training manuals for raw materials preparation, molding operations, cutting, and shaping.
8. The training institution will pay for all training program advertising.

APPENDIX C

SAMPLE WORKSHEET TO SUPPORT BUDGET REQUEST
(Incomplete)

I.	**FACILITY COST**	**$2,035.00**
	A. **Rent:** 3,000 Sq. ft. for 6 mo. @ $1.20 per sq. ft. or $300.00 per mo.	$1,800.00
	B. **Utilities:**	
	a. Gas—$150.00 per 6 mo.	
	b. Water—$170.00 per 6 mo.	
	Total Utilities	$235.00
II.	**STAFF COST**	**$8,700.16**
	A. **Instructor's Salary:** (2) for 6 mo. @ estimated $8.00 per hr. for 96 hrs. per mo. or 576 hrs. per 6 months	$4,408.00
	B. **Secretary's Salary**—@ $3.50 per hour for 960 hrs. for 6 mo.	$3,360.00
	Total Salaries	$7,768.00
	C. **Fringe Benefits:** Figured at 12% of salaries	
	.12 x 7,768.00	$932.16
III.	**(Continue as necessary.)**	

APPENDIX D

SAMPLE BUDGET FORM
(Incomplete)

COST OF INDUSTRY SERVICES TRAINING

Project Number: _____

STATE OF: _____ Date: _____

1. NAME AND ADDRESS OF TRAINING AGENCY RESPONSIBLE FOR TRAINING

2. TYPE OF TRAINING OFFERED:

Check one of the following: ( ) Budget Estimate ( ) Budget Revision ( ) Tentative Final Cost ( ) Actual Cost		Amount Requested or Expended	Amount Approved
3.	FACILITY COST:		
4.	ADMINISTRATIVE COST:		
5.	STAFF COST:		
6.	OTHER COSTS:		
7.	TOTAL COST:		

Director of Vocational-
Technical Education _____

Industry Services Leader: _____

Date: _____

LIST OF INDUSTRY SERVICES LEADERSHIP DEVELOPMENT MODULES

I. **Orientation to Industry Services**

- A. Introduction to Industry Services
- B. Industry Services Leadership Development Program: Guide for Using the Self-Paced Instructional Modules

II. **Establishing Contacts and Relationships**

- A. Speaking to Industrial and Community Groups
- B. Writing Articles for News Media
- C. Identifying Functions of Agencies Involved in Industry Services
- D. Developing a Brochure for Industry Services

III. **Obtaining Agreements**

- A. Developing Training Agreements
- B. Developing a Lead-time Schedule
- C. Interpreting Legislation Related to Industry Services

IV. **Identifying Training Needs**

- A. Collecting Framework Production and Training Information
- B. Selecting Types of Training Programs
- C. Preparing a Budget for an Industry Services Project

V. **Acquiring Resources**

- A. Selecting Instructors for Industry Services
- B. Securing a Training Site
- C. Securing Training Equipment, Tools, and Supplies

VI. **Training Instructors for Industry Services**

Training Instructors for Industry Services

VII. **Preparing for Training**

- A. Adapting the Training Site to Training Needs
- B. Evaluating Safety Conditions at Training Sites
- C. Announcing the Opening of a Training Program

VIII. **Preparing Training Materials**

- A. Conducting a Task Analysis
- B. Developing Performance Objectives
- C. Determining Types of Instructional Methods and Media
- D. Developing Performance Tests
- E. Developing Training Manuals
- F. Preparing Videotapes for an Industry Services Program
- G. Setting Up Learning Centers for Industry Services Programs

IX. **Selecting Candidates**

Developing a Plan for Testing and Counseling Applicants for a Training Program

X. **Monitoring Training Programs**

- A. Assisting in Providing Pre-Employment and In-Plant Training
- B. Developing a Procedure for Keeping Participating Agencies Informed About Training Program Activities
- C. Monitoring Training Programs for Progress and Expenditures

XI. **Closing Training Programs**

Closing a Training Program

XII. **Placing Program Participants**

Developing a Plan for Placing Graduates of a Pre-Employment Training Program

XIII. **Evaluating Industry Services Programs**

Evaluating Industry Services Programs

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